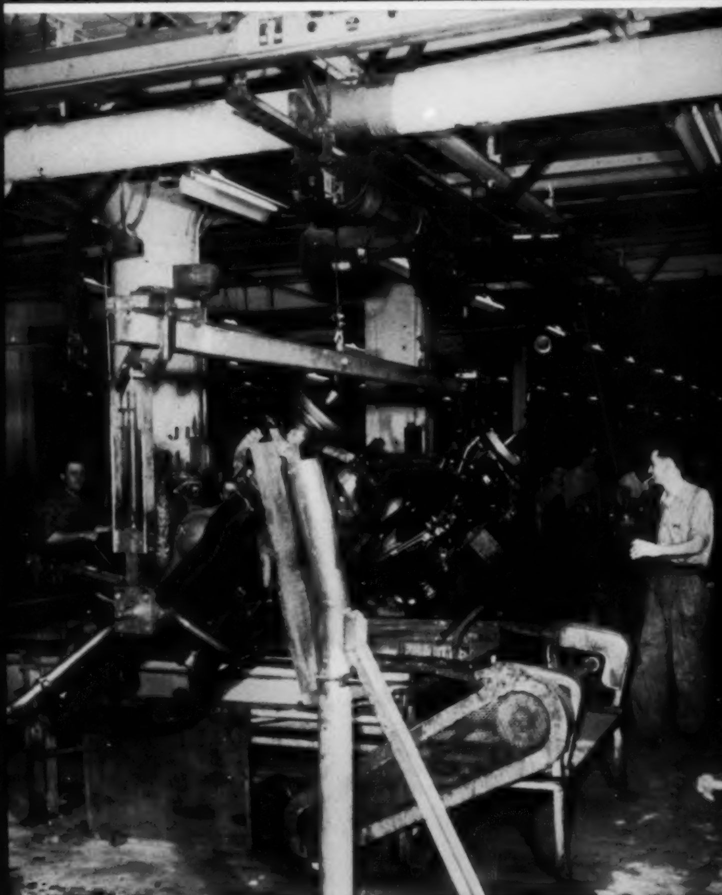
CONSUMER FINANCE NEWS

Vol. 35 JANUARY 1951 No. 7



ASSEMBLY-LINE PRODUCTION

NATIONAL ORGANIZATION, 1950–1951

Barney J. Lenihan, *President and Chairman of the Board*
Marion E. Taylor Building, Louisville 2, Ky.

M. L. Goeglein, *Vice President*
621 South Hope Street, Los Angeles 14, Calif.

Paul L. Selby, *Executive Vice President*
315 Bowen Building, Washington 5, D. C.

Charles A. Dougherty, *Treasurer*
558 Carman Street, Camden 3, N. J.

Evelyn Berkeley, *Secretary*
315 Bowen Building, Washington 5, D. C.

EXECUTIVE COMMITTEE

Byrd E. Henderson, *Chairman*

D. L. Barnes, I. L. Brisbin, M. L. Goeglein, T. D. Griffin, L. J. Ingram, B. J. Lenihan, R. E. Meier, R. E. Vester

BOARD OF DIRECTORS

Barney J. Lenihan, *Chairman*
Marion E. Taylor Building, Louisville 2, Kentucky

Wilbur A. Bean
112 State Street, Albany, New York

Lloyd M. Boyd
1735 Welton Street, Denver 2, Colorado

I. Lehr Brisbin
1428 South Penn Square, Philadelphia 2, Pennsylvania

Theodore N. Burke
709 Chestnut Street, Philadelphia 6, Pennsylvania

William T. Christian
919 North Michigan Avenue, Chicago 11, Illinois

Lawrence M. Curtiss
1112 Ambassador Building, St. Louis 1, Missouri

Charles A. Dougherty
558 Carman Street, Camden 3, New Jersey

M. L. Goeglein
621 South Hope Street, Los Angeles 14, California

Thomas D. Griffin
105 West Madison Street, Chicago 2, Illinois

Joseph R. Gwinn
320 Olds Tower Building, Lansing 8, Michigan

John H. Hendee
3502 West North Avenue, Milwaukee 8, Wisconsin

Byrd E. Henderson
919 North Michigan Avenue, Chicago 11, Illinois

Leo Heymann
1247 National Bank of Commerce Building, New Orleans 12, Louisiana

Leon J. Ingram
1506 Buckeye Building, Columbus 15, Ohio

I. H. Levy
111 West Jackson Boulevard, Chicago 4, Illinois

Edward J. MacDermott
34 Mechanic Street, Worcester 8, Massachusetts

Harold E. MacDonald
919 North Michigan Avenue, Chicago 11, Illinois

Hoke T. Maroon
904 Ingraham Building, Miami, Florida

Richard E. Meier
405 Sycamore Street, Evansville 8, Indiana

M. E. Patrick
Federal Discount Building, Dubuque, Iowa

Max P. Shelton
606 Arcade Building, St. Louis 1, Missouri

John T. Snite
111 West Washington Street, Chicago 2, Illinois

Ray E. Vester
303 Alderway Building, Portland 5, Oregon

Davis Weir
402 Ring Building, Washington 6, D. C.

CHAIRMEN OF STANDING COMMITTEES

Law: Leo M. Gardner, 910 Illinois Building, Indianapolis 4, Indiana. *Membership:* I. Lehr Brisbin, 1428 South Penn Square, Philadelphia 2, Pennsylvania. *Public Relations:* William T. Christian, 919 North Michigan Avenue, Chicago 11, Illinois.

STATE ORGANIZATION

SECRETARIES AND EXECUTIVE OFFICERS OF STATE ASSOCIATIONS

ARIZONA—Richard Steinman, 243 N. 1st Ave., Phoenix.

CALIFORNIA—George D. Nickel, 1300 Ramona Rd., Arcadia.
J. M. Redfield, Exec. Secy., 1629 Virginia Ave., Glendale.

COLORADO—R. W. Carmody, 1654 Welton St., Denver 2.

CONNECTICUT—John P. Bramer, 60 Wall St., New York 5, N. Y.

FLORIDA—R. B. Flammer, 615 S. Highland Ave., Clearwater.

IDAHO—Willis Moffat, Box 1926, Boise.

ILLINOIS—Albert P. Snite, 111 W. Washington St., Chicago 2.
James H. Cronin, Exec. V. P., 111 West Washington Street, Chicago 2.

INDIANA—Fred Carroll, 217 W. Washington Ave., South Bend.
Robert C. Hamilton, Exec. Secy., 816 Union Title Building, Indianapolis 4.

IOWA—Homer Young, 310 Equitable Bldg., Des Moines.

KENTUCKY—H. M. Hardesty, Republic Bldg., Louisville.

LOUISIANA—Armand P. Guizerix, 1122 Maison Blanche Bldg., New Orleans.

MAINE—William D. Kiah, 22 Clinton St., South Portland.

MARYLAND—E. M. Garren, 2 E. Lexington St., Baltimore.

MASSACHUSETTS—Charles F. Potter, 77 Summer St., Boston.
Thomas H. Hoare, Exec. Dir., 719 Beacon Building, Boston 8.

MICHIGAN—C. M. Morrison, Main at Division Sts., Cheboygan.
Russell J. Darling, Exec. Dir., 1912 Olds Tower Building, Lansing 8.

MINNESOTA—B. J. Rechtiene, 600 Bremer Arcade Bldg., St. Paul 1.

MISSOURI—L. S. Woodcock, 1112 Ambassador Bldg., St. Louis 1.

NEBRASKA—R. W. Gohde, 112 S. 11th St., Lincoln.

NEW HAMPSHIRE—Perry S. Whiting, 944 Elm St., Manchester.

NEW JERSEY—John P. Bramer, 60 Wall St., New York 5, N. Y.

NEW YORK—John P. Bramer, 60 Wall St., New York 5.
Richard O. Wiesner, Exec. V. P., 160 Broadway, New York.

OHIO—Lloyd Laut, 16 S. Washington St., New Bremen.
Daniel W. DeHayes, Exec. Secy., 812 Hartman Building, Columbus 15.

OKLAHOMA—C. W. Dobelbower, 201 American National Bldg., Oklahoma City.

OREGON—Frank P. Spencer, 2311 N. E. 32nd Ave., Portland.
Dean Bryson, Exec. Secy., 1206 Loyalty Building, Portland 4.

PENNSYLVANIA—John L. Hauser, 2204 Anthony Ave., Broomall.
Curtis A. Williams, Exec. V. P., 262 South 12th Street, Philadelphia 7.

RHODE ISLAND—Joseph J. McLaughlin, 111 Westminster St., Providence 3.

UTAH—J. T. Cole, 511 Walker Bank Bldg., Salt Lake City.

VERMONT—John M. Lancaster, 182 N. Main St., Barre.

VIRGINIA—J. H. Gardner, 210 N. Third St., Richmond.

WASHINGTON—F. J. Gleeson, 211 Douglas Bldg., Seattle.
Joseph E. Hurley, Exec. Secy., 817 Paulsen Building, Spokane.

WEST VIRGINIA—M. S. Wickline, 922 Quarrier St., Charleston.

WISCONSIN—Lyle A. Kamradt, 735 N. Water St., Milwaukee.

Paul L. Selby
Editor

Evelyn Berkeley
Associate Editor

Consumer Finance News

Published by the
NATIONAL CONSUMER FINANCE ASSOCIATION
Washington, D. C.

Vol. 35 · No. 7

January · 1951

IN THIS ISSUE:

On the Cover

This view of the American production system at work is symbolic of the vast potential available for war or peace.

As we move out into a new year so fraught with uncertainty and doubt, there is renewed faith and hope in the knowledge that here in America the production potential exceeds that of all the rest of the world. It brought victory in World War II. It has advanced tremendously since V-J Day. It has brought to our people the highest standard of living in the history of civilization as its benefits flow to consumers through our vast distribution systems so adequately supplemented by consumer credit.

This picture happens to be a production line in the Chrysler factory, but it is repeated a million times in making appliances, tools, radios and television sets, furnishings, and myriads of other things which make life more enjoyable. Of course, we know that it takes more than *things* to make life worth while—things of the spirit—integrity—courage—genius—adaptability—and faith. Perhaps the things of the spirit come first in making a free people great; and probably that is the reason why a free people have gone so far in achieving the material things in America.

We believe that the heritage of freedom and the unconquerable spirit of a free people is our most dependable promise of a bright tomorrow. But right now we need things—munitions, materiel, equipment, food, shelter. Knowing that our production system can produce them, we look forward with confidence to the new year, and wish for you the Courage to face what comes, and Good Health, Peace and Prosperity.

American Acquires Domestic

American Investment Company of Illinois has acquired controlling interest in Domestic Finance Corporation in one of the largest year-end transactions in the consumer credit field.

Arthur Greene resigned as president and director of Domestic, together with five other Domestic directors. Donald L. Barnes was elected president and David B. Lichtenstein executive vice president of Domestic Finance Corporation, which will continue to operate as a separate corporate entity. Other new directors are Edgar E. Rand of St. Louis, James R. Leavell of Chicago, C. Bert McDonald of Cleveland, and Wayne L. Nunemaker of Chicago.

Domestic Finance Corporation operates 53 loan offices in eight states and has total assets of $21,000,000.

The National Emergency

President Truman has proclaimed a state of national emergency. While this declaration does not greatly enlarge the governmental powers at this time, it does indicate a trend to greater austerity for every family in America. It removes any hope for an early relaxation of consumer credit controls.

In the hearings before the Joint "Watchdog" Committee of Congress held on December 6 to 11, automobile dealers and sales finance companies made a good case against the Regulation W Amendment No. 1, reducing terms to 15 months. Walter Reuther, noted labor leader, clearly demonstrated its unfair and discriminatory effects upon lower income groups. Many expressions of interest and sympathy came from Senators and Congressmen. But that is about all the Joint "Watchdog" Committee hearings produced.

Chairman McCabe of the Federal Reserve Board claims that Regulation W and Regulation X are working as intended by reducing consumer buying pressure on durable goods and on real estate construction materials. Further, he states that extension of the controls to include charge accounts and single payment loans is under serious consideration. In the meantime the Federal Reserve Board has increased bank reserve requirements to curtail the volume of commercial loans.

Adequate, sound consumer financing is essential to the economic welfare of the country. The instalment loan will continue to serve a vital family need, but grantors are facing some serious road blocks in 1951. In addition to Regulation W and Regulation X, grantors in this field will be faced with serious personnel problems as some of their well trained and best qualified young men are inducted into the armed services. Replacements will be costly. Key men and potential key men will be lured by high offers from defense industries and by government. If salaries are "stabilized" by ceilings which prevent meeting competitive offers, this situation could become serious.

Taxes are sure to be boosted, leaving a lower net to the corporation and a thinner slice for the officers and shareholders. Even before taxes, profit margins will be affected by rising costs of operation. Allocations and priorities are coming soon in much greater detail.

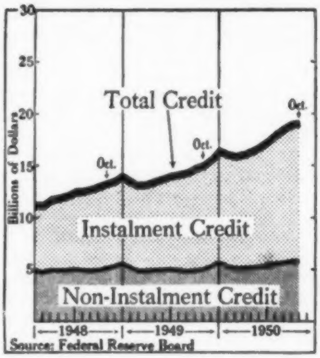
An alert and experienced consumer finance industry will accept the challenge of these ever shifting hazards and take them in stride. Having survived two world wars and the great depression, this industry will not only survive this national emergency but will come through it more firmly entrenched in the American scheme of things than ever before. The instalment loan fits into the family budget problem better than any other solution—it is a needed service, a constructive help to those in need of financial assistance, and will prevail through even the most troubled years.

The public will have about $200 billion of earned income to spend in 1951 after payment of taxes. This unprecedented income added to another $200 billion of liquid savings means an enormous flow of economic power in the next year. General business should be good and consumer loans will do their full share in leveling the peaks and valleys of family finances.

Food for Thought

Culled from Here and There

Consumer Credit



On the cuff buying has slowed up under the impact of credit curbs. At the end of October, The Federal Reserve Board reported, outstanding consumer credit totaled $19,366 million. This was a gain of only $51 million from the preceding month compared with increases of over $300 million in each of the preceding five months.

—*The Wall Street Journal.*

The American public owes a vote of thanks to Fairfax M. Cone, for his plea to the American Association of Advertising Agencies to "watch for advertising foolishness—and when they find it, laugh it out of being." He used as an example ads in the New York *Times* which, in describing television sets, stated a "big 12½," a "huge 12½" and a "giant 12½" screen. Cone pleaded that ad men save "amazing," "sensational" and "stupendous" for the circus. He pointed out that "just as surely as dishonest advertising contaminates honesty—blatant, foolish adjectives destroy the worth of words." We'd be a lucky nation of readers if all ad men would take Cone's advice.

—*The Industrial Banker.*

I do not need to tell you that the inexorable law of diminishing returns has not been repealed, and that sooner or later, if private enterprise is to survive there must come a stop to higher and higher taxes.

—*Albert C. Agnew, Federal Reserve Bank of San Francisco*

The future of American business is the future of America itself; and the problems of American business are the problems of every American family. Surely we must realize that there is no room in America's future for the growth of antagonistic attitudes between Government and business. Nothing that harms American business can possibly help the American people; and nothing that injures the American people can ever prosper American business.

—*Benjamin F. Fairless, President United States Steel Corporation*

Men of greed and arrogance, who exercise their individual power as businessmen, labor leaders, or politicians to create dissension, ill feeling and dissatisfaction within our system of private ownership and personal initiative and competition, are men to fear and abhor. They can both destroy our freedom and take control of our lives.

—*Francis A. Truslow, President, New York Curb Exchange.*

"Well, for once everything balances. I thought I owed a lot and I do"

Of all sounds of all bells, the most solemn and touching is the peal which rings out the old year. I have never heard it without a gathering up of my mind to a concentration of all the images of the past twelve-month, all I have done or suffered, performed or neglected, in that regretted time. But on such occasion it is both more noble and more profitable to take a cheerful and reassuring view of our condition and that of humanity in general, laying aside futile reflections on past imprudence and mismanagement and resolving for the future to do our utmost in fulfilling our duty toward God and our fellow men.

—*Charles Lamb.*

MEETING SCHEDULE

COLORADO

Shirley Savoy Hotel, Denver, January 24

Broadmoor Hotel, Colorado Springs, May 25-27

IDAHO

Sun Valley, June 29-30

ILLINOIS

Broadview Hotel, East St. Louis, April 25-26

IOWA

Fort Des Moines Hotel, Des Moines, May 2-3-4

LOUISIANA

New Orleans, January 20

MARYLAND

Lord Baltimore Hotel, Baltimore, October 13

MICHIGAN

Ramona Park Hotel, Harbor Springs, June 28-29

Statler Hotel, Detroit, November 6-7-8

NEBRASKA

Fontenelle Hotel, Omaha, February 13-14

NEW HAMPSHIRE

Nashua, January 10

OHIO

Columbus, October 16-17

OKLAHOMA

November

VIRGINIA

Homestead Hotel, Hot Springs, April 11-12; October 20

WASHINGTON

April 21

Money Matters

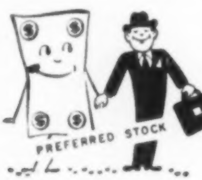
By F. J. CONWAY

Mr. Conway is president of Thorp Finance Corporation. This is a reprint of the remarks he made at the American Finance Conference Annual Convention.

My remarks will be directed, in the main, to the smaller company—the company that is expanding and having trouble procuring capital funds to finance its operation. The larger companies with ample capital and sufficient credit lines will not find much interest in this talk.

I presume from the remarks relayed to us by the office of the Conference that you are interested in actual experiences, so that you can apply our experience to your own problems. I will therefore have to use our company as an example, inasmuch as I know nothing of the operation of any other company. Errors have been made in our program, but perhaps in pointing out these errors, others can benefit.

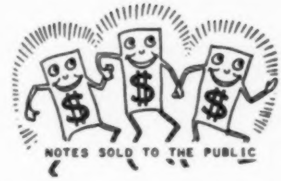
I am going to dwell briefly on the various methods of raising capital that we have used. At the present time, we are completing a deal involving a subordinated debenture issue and are considering a deal involving a large, long term loan. I think the raising of capital through subordinated and senior debentures, our newer forms of borrowing, would perhaps be of more interest to most of you than the old standard forms which have been in vogue for some time. However, it is impossible to get along without common and preferred stock and, for this reason, I will tell you the experience that we have had, particu-



larly with the sale of preferred stock.

Three or four years ago, it became evident to us that additional capital would have to be raised. We had at that time about $500,000 of common stock and surplus. Through the advice of good friends, we decided that the sale of preferred stock would be the best means of procuring additional capital. For that reason we negotiated with a security house in Chicago to sell $1,000,000 of preferred stock for us. The security house did not give us an outright commitment to purchase this stock but agreed to sell it for us at $102 per share, and they were to pay us approximately $98. We were led to believe that they had a ready market for the stock and that it could be sold in a short period and the net proceeds made available to us without delay. It so happened that about the time the stock issue was to be released for sale, there was a considerable flurry in the security markets and a telegram was received from the firm advising that they were withdrawing from the program entirely. This placed us in quite a dilemma, as we were already depending upon the sale of the stock and had made our plans accordingly.

After considerable investigation, we obtained an authorization from the Wisconsin Securities Division authorizing the sale of the stock through our employees. The form of advertising proposed was approved by the department and a sales campaign was inaugurated in our own organization. The stock was offered at $102 per share and our employees were offered $1.00 for each share sold. A modest newspaper advertising campaign was released and to our surprise the stock was readily sold. Our local branch employees contacted influential businessmen and farmers in their respective communities, people whom they knew had some savings and individuals who, in our opinion, would make desirable stockholders in our corporation. Many sales were made to automobile dealers who did business with us and auctioneers who were active in farm auction sales which, at the time, provided a large share of our business. At the time the stock was sold, we were careful to advise prospective buyers that we made no warranty or guarantee to repurchase the stock at any time. However, since it has been sold, we have maintained a ready market for any stock offered for sale and we have paid par for all such stock. We have, at all times, a waiting list of persons desiring this preferred stock and there is no difficulty in reselling any stock so purchased. This stock is acquired from present stockholders at par and resold at $102 plus accrued dividends which gives us a considerable margin on each transaction. The fact of the matter is, at various times we run an ad to the effect that we are in the market to repurchase preferred stock. At other times when we do not have too many on our waiting list, we run an ad indicating that preferred stock will be available. This keeps our stock before the eyes of the public and assures a good market



for it. It is readily acceptable as collateral by banks for at least 75% or 80% of its par value.

At times in the past we were very successful in selling our notes to the public. These notes were senior obligations of the company, ranked the same as bank lines, and most of them were payable on demand. The money was quite stable. We paid interest on the notes semi-annually, and unless the holder of the note had some particular use for the money, it was seldom disturbed. Until we were prevented from doing so by a ruling of the Wisconsin Securities Division, we had no trouble in selling substantial amounts of this class of paper to the public. We are now prohibited from selling these notes unless the offering is registered through the Wisconsin Securities Division. We have never registered such notes with the Securities Division as we have had no trouble procuring all of our needs from banks. However, we have often considered so doing. We were very sorry to lose the noteholders as they provided a source of stable funds and were of great benefit to us at times when preferred stock or other securities were offered for sale. A large percentage of the noteholders readily agreed to convert their notes to a subordinated note or preferred stock in consideration of a higher return on the subordinated or junior security. Once an investor has lent money to us and it has remained

REDISCOUNTS

in our possession for a year or so, our experience has been that it is a very simple matter to sell him any class of security that we may have for sale.

At various times during our early years funds were borrowed on collateral trust notes and on rediscounts. The rediscount method was used by our company quite extensively. I am personally

very much in favor of this form of borrowing and, in fact, our operation was financed in this manner until our outstandings were up to two or three million dollars. Arrangements were made with local banks whereby the paper was sold to them on a full recourse basis. A cash reserve of 10% of the amount of paper sold was carried with the bank and all collections were handled by us. Collections were remitted to the banks periodically, and the customer never knew that his paper was out of our possession. At one time we had several million dollars borrowed through this rediscount method on which we were able to get very good rates from banks. A system was worked out whereby the sale of the notes and the remittance of all payments were made to the banks without the scratch of a pen. We had up to ten different banks who were buying our paper with two or three million dollars outstanding most of the time, and all of the work incidental to the sale of the notes—the remitting of payments, keeping the accounts in balance at all times, and the depositing and withdrawal of the notes was handled part time by one girl. The great advantage of this form of borrowing was that no notes evidencing our indebtedness were given to banks, no renewals were necessary and, consequently, we never had to worry about a contraction of credit as long as the banks purchased the paper which we offered them. All of the banks with which these arrangements were made were well satisfied with the system and would have continued to go on with us indefinitely. About this time, however, we were able to arrange with larger banks to lend us money on an unsecured basis. This meant that all of our rediscount arrangements had to be discontinued because, of course, the banks making unsecured loans to us would not permit rediscounting or pledging our collateral.

Even during times of severe credit curtailment we had no trouble arranging

COLLATERAL TRUST NOTES

with banks to buy the paper on a rediscount basis, and after the system had been in effect for a few years, we were able to bargain for very attractive interest rates.

The borrowing of money on collateral trust notes was on a standard arrangement and our operation on this basis was no different than the arrangements used by other companies at the present time. We simply entered into an agreement with a very well known, large, metropolitan trust company pledging

UNSECURED NOTES

our collateral with them and issuing notes based on the collateral. I think that the ratio was 110% or 120% of collateral for funds borrowed. This arrangement we did not use very long.

Arrangements were made about this time to borrow money on an unsecured note basis. Auditors from two of the leading banks in the country were sent to Thorp and made a thorough examination even though we had certified balance sheets from an independent audit firm of national reputation. The results of this audit were such that we were able to arrange for credit lines on an unsecured basis. That arrangement is still being enjoyed at this date. This system of borrowing is by far the most simple and satisfactory. In our case it is necessary that we have a company audit twice each year. Just of late it has been necessary to furnish a monthly Balance Sheet and Statement of Profit and Loss. In this system of borrowing, it is necessary to have total lines of approximately 25% more than the amount being used in order that every bank can be paid in full for a period of at least thirty to sixty days out of each twelve-month period. Most banks insist upon this. Compensating balances must be kept with all the banks in an amount varying between 10% and 20%, generally 15%. That, of course, adds to the cost of the borrowed funds.

We are a comparatively new company in the business, our growth has been fast, and we do not have the years of experience behind us that many companies do. Furthermore, our operation has been a little different from that of the standard sales finance companies. In addition to financing the sale of automobiles, we have a large direct loan business, lending money on farm collateral, particularly, dairy cattle and machinery. Metropolitan banks have had no experience with this phase of our operation, and we were penalized somewhat on interest rate. However, as we go along from year to year and the

COMMERCIAL OR OPEN-MARKET BORROWING

banks see that this operation is working out fully as well as the lending of money on automobiles, the value of this type of business is being gradually recognized.

This form of borrowing we have used for a number of years. It is the cheapest available money in an operation of this kind. An arrangement is made with a commercial paper broker whereby he agrees to sell our paper for a small commission. The paper generally has a maturity of ninety days or six months and we have to be in a position to meet payment upon maturity. The purchaser makes no commitment for renewal so that cash for payment has to be on hand whenever outstanding paper of this class becomes due. The rate on this paper is generally one-half to three-quarters of 1% less than on bank lines. The rates are very sensitive and are susceptible to all changes in the money market.

A great amount of borrowing is done on commercial paper, but it is my recommendation that a company should not become indebted on commercial

SUBORDINATED DEBENTURES

paper borrowings for a sum greater than ten to fifteen per cent of its entire borrowings. As a source of funds, it is not too dependable, and bank lines have to be at your disposal to take care of all maturities as they fall due.

Our first subordinated note issue was sold by our own organization in small amounts directly to the public. The notes were readily sold, but were outstanding only a short time when the entire issue was called and a larger subordinated issue was sold in its entirety to an insurance company. I mention the fact that our original issue was sold to the public, as I think many of you smaller companies should be interested in the fact that we had no trouble in distributing these subordinated notes ourselves.

In 1946 an issue of $400,000 of subordinated debentures was sold to an insurance company. The Indenture covering the issue did not provide for the sale of additional notes, but a few years later the holders of outstanding debentures purchased another $300,000 of subordinated notes. This took care of our needs until a short time ago. We needed additional subordinated funds but were unable to arrange with the holders of the original series for an

additional loan and the Indenture was so drawn that it seemed desirable to call the entire issue and place a new issue of $1,000,000 with another institutional investor. The calling of the original issue involved the payment of a substantial premium, and so when the new deal was made, we made it a point to see that the loan agreement permitted borrowing additional funds as additional capital was invested in the business, without the consent of the present holders. This is a point that should be considered by anyone going into the subordinated debenture market, as we found it quite costly to call the original issue in order to get only $300,000 more. It should not have been necessary for us to call these debentures as we were perfectly satisfied with the company, the rate and all the other conditions.

The new loan agreement we have entered into permits us to sell additional debentures in the ratio of $1.00 of debentures for each $2.00 of liquid net worth. Some companies have been able to get a little better ratio of debentures to net worth, but this was the best arrangement we were able to make. The definition of "net worth" should receive careful attention because this governs the amount of deductions made from capital stock and surplus accounts in determining borrowing ratios. In all cases fixed assets and non-liquid assets will be deducted from net worth.

The maximum borrowing ratio is another matter that should be thoroughly discussed. In our case the ratio originally suggested to us seemed too conservative, but after further negotiations we were able to have it liberalized somewhat so that the present ratio is three and one-half times net worth, plus subordinated debentures. That, we think, is quite fair. The company originally requested that we be restricted from acquiring the capital stock or the assets of any other companies. In our case, over the years, we have acquired a number of companies in the same line of business. When we explained this to the insurance company, they agreed that we might continue to do this but have restricted us to companies engaged in the same line of business which, I think, is sound.

We found both institutional lenders to be very fair and cooperative in trying to arrange for conditions so that there would be no hindrance to our operation and, at the same time, give them protection. When it is considered that the insurance company lends large sums of money for a period of ten or fifteen years, without collateral, and that in case of trouble of any kind, liquidation or receivership, they will sit by and allow all superior indebtedness to be paid before they can make any claim to their money, they cannot be blamed for requesting some protective covenants in the loan agreement.

Subordinated debentures become a part of your capital base. They are figured the same as your common stock, your preferred stock, and your surplus, by banks in arriving at your borrowing ratio. It is by far the cheapest capital that can be acquired. Interest paid on this capital is a direct deduction for income tax purposes, whereas dividends paid on preferred or common stock are not deductible. The cost of the money is not much greater than the cost of bank lines when compensating balances and additional lines to take care of rotation purposes are taken into consideration. If the operations of a company

SENIOR DEBENTURES

should shrink so that the capital is not needed, they can be called at a comparatively small premium.

A comparatively new form of borrowing is the sale of term notes to insurance companies on the same parity as bank lines. The notes are payable either serially over a number of years or at a single definite date. I like this form of security very much. We borrow about 20% of our funds at the present time on long term notes from insurance companies, and I would like to see this ratio very materially increased. Banks like to see long term money in your statement, particularly, at the present time when they have the opportunity to make all the loans that they desire. Most of them are already committed for all the finance lines they care to have and readily agree to these outside loans. The rate of interest charged by insurance companies on term loans is not much greater than the rate charged by banks for short term loans. No compensating balances are demanded by the insurance companies and no annual cleanup required. I think that banks really like these long term loans because although the loans are on the same parity, the banks with short term maturities have a chance to review your statement every few months. If, for any reason, they are not satisfied with everything that is disclosed, they can withdraw from the picture, whereas the insurance company is there until the termination of the loan contract unless there is some major violation of the agreement, in which case they can demand payment in full. My experience is that insurance companies do not want to have over a certain percentage of the entire borrowings of a company and will readily agree to prepayment,

without penalty, when the ratio of their participation becomes excessive through the lack of good business.

A substantial long term loan with a good insurance company surely gives the management of a company a great amount of assurance, as it is a good feeling to have substantial amounts borrowed on a long-term basis and not have all borrowings become due every ninety days or six months. There is also the additional advantage of having a stable interest rate. The rate is fixed at the time the loan agreement is entered into, and no attention is paid to this rate during the term of the loan;

PREVIEW

fluctuations in the money market have no effect on it, whatever.

I recommend the sale of preferred stock in addition to common stock, and this sale at a price slightly above par so that the stock can be purchased and resold at a figure that will compensate you for the trouble involved. Preferred stock can generally be sold in a ratio of $2.00 of preferred stock to $1.00 of common stock and frozen surplus.

I recommend the sale of subordinated debentures as a means of procuring cheap capital which serves practically the same purpose as stock in a ratio of $1.00 of debentures for each $2.00 of net worth. Care should be exercised in seeing that the loan agreement entered into is as liberal as possible, particularly, the covenants relating to the sale of additional debentures, the definition of "net worth," and the call price.

I am afraid that interest rates are going to continue to "inch" upward. It seems that the trend is definitely in this direction. I think that new credit lines and additions to present lines are not going to be too free, as banks are going to have a great demand for money, first, through the purchase of government securities and, second, through the financing of preparedness or war effort. Outstanding bank loans at the present time are the highest they have been in his-

(Continued on Page 15)

American Finance Conference

17th Annual Convention Held in Chicago, November 16-17, 1950

One month after Regulation W was amended on October 16, 1950, by reducing terms to 15 months, the American Finance Conference met in Chicago for its Seventeenth Annual Meeting. Planned far in advance, the stated theme of the conference was "Make Things HUM in '51," but when the conference convened there was no doubt in the minds of anyone that "'51" is to be a year of drastic Federal controls. Hence an atmosphere of sober facing of facts pervaded the convention. Sales financing of automobiles, being the most important segment of all instalment sales financing, cannot escape the impact of so serious a curtailment in terms as is imposed by Amendment No. 1 of October 16.

Thomas W. Rogers, executive vice president of the Conference; Elmer E. Schmus, vice president of First National Bank of Chicago, and Dr. Leo Wolman, Professor of Economics, Columbia University, addressed the first session.

Mr. Rogers pointed out that, "At the present time, ten states have special statutes which deal with instalment selling as such. These states are:

"California (1945, Amended 1949); Connecticut (1945, Amended 1949); Indiana (1935, minor changes since); Maryland (1941); Michigan (1939—New law 1950); New Jersey (1948); New York (1942); Ohio (1949); Pennsylvania (1947); Wisconsin (1936).

"Five other states have laws which touch the field of instalment selling practices, particularly of motor vehicles, in a limited way. These states are Maine, Massachusetts, Nebraska, Virginia, Utah. In addition, ten states—a few among those just named—have adopted the Uniform Conditional Sales Act which contains provisions governing parties to conditional sales whether or not on an instalment basis."

Regarding Federal controls, he said, "Our concern is not over controls as such if these are really necessary—although we question their wisdom and efficacy—but rather with controls which fall unfairly upon instalment buyers and make instalment financing bear the brunt of a mere gesture toward inflation controls."

In actual operation, Mr. Rogers pointed out, "The monthly payments required by the 15-month rule very definitely shut the average industrial worker out of the new car market, even for the lower priced units, and force him over to the used car market where his per-mile cost of transportation is materially increased! At the same time, the man in the upper income groups can buy these new cars because of his ability to pay cash or the large monthly payments. This, in our opinion, very definitely discriminates against the low income group.

Thomas W. Rogers

"This discriminatory effect against the low income group could be avoided if the [Federal Reserve] Board would take a more realistic view of industry practices and make its regulations conform to historic industry patterns, and to a number of state laws which have long recognized at least three groups of terms based upon different age groups and price classes of motor vehicles—namely, new and recent model used cars, late model used cars, and older model used cars.

"Definite suggestions along this line were made some weeks ago to the Board staff by representatives of the American Finance Conference, but the Board apparently has ignored these suggestions and to date has not recognized this pattern of industry practices in its regulations."

Relationships between credit agencies and debtors are sound, Rogers emphasized. "The credit agency always relates the amount of the debt and the rate of liquidation to the income of the debtor," he declared. "Furthermore, the debtor himself knows the limits of his ability to pay debts and rations his debt accordingly. There is a natural top limit upon total debt in relation to the wage income of the nation."

Mr. Schmus reviewed operations of sales finance companies and complimented them upon their adherence to sound terms even before reinstatement of Regulation W. As to the economic outlook, he said, "The major factors of uncertainty in the economic outlook are the size and timing of the defense program, the extent to which production can be increased, the scope and effectiveness of any measures and techniques designed and employed to allocate output and restrain price advances, and finally the attitude of the people toward liquidity and savings.

"Since we are now in a period of partial mobilization for war, some authorities believe it necessary to restrain the flow of funds into the consumer market, thus lessening inflationary pressure as well as helping divert critical material and manpower into the channels of defense production."

Commenting upon the more recent 15-month payment limit via the Regulation W amendment which became effective October 16, Mr. Schmus said, "We already see some indications that the end result of the restricted terms may be a substantial decline in the sale of durable goods, since many persons in the lower income group who have in the past used consumer sales and loan credits may be priced out of the new car and late used car market as well as the markets of some other durable goods. . . .

"The reimposition of Regulation W on September 18, 1950 and the subsequent tightening of terms less than a month later may suggest a forewarning of the uncertainty of operations if Regulation W should ever become a permanent part of our economy. Some Federal authorities may believe the regulation of consumer credit should be placed on a permanent basis, which suggests the possibility of broad relaxations in terms during periods of adverse business conditions. This might be most desirable, for economic adjustments required during a period of adverse conditions might give no such assurance on credits you make as you had during a period of good business conditions with high employment and greater income in both industry and agriculture. Before World War II you operated with almost no regulated pressure other than the very simple but effective use of competition, and the excellent record of your industry during different phases of business cycles is conclusive evidence that the regulation of the credits you make in a peacetime economy is not desirable and is unnecessary. Regulation W has no place in a free enterprise

system as a permanent part of the economy of this country."

Dr. Wolman gave a good summary of the economic situation, which he says is afflicted with "the itch to regulate." We quote some excerpts from his address:

"The key to the economic outlook in the United States in the visible future is to be found in the domestic and international political decisions which we have been making in the past few years and which, at this time, we seem ready to make in the next years. Everybody knows what these decisions are. They amount to putting this country increasingly on a war basis. This alone means imposing upon ourselves very heavy economic burdens. . . .

"There ought to be little doubt in people's minds as to the economic consequences of such a program. It means the progressive curtailment of civilian consumption and civilian economic activity. Guesses of the extent of this curtailment, which people have in mind when they speak of a 10 or 15 per cent war, seem to me to be very wide of the mark. . . .

"The hope that an undertaking of this probable magnitude can be carried through without a substantial additional inflation and decline in the value of our money does not seem to rest on a solid foundation. The forces making for inflation, as they can be seen today, are a good deal stronger than the forces we can conceivably set up to oppose them. . . .

"In war as in peacetime economic activities, there are no miracles. The question is whether, economically and politically, we have not undertaken more than we can absorb and digest. That is the question we ought to be debating in this country."

At a luncheon session, Fred L. Haller, president of National Automobile Dealers Association, delivered a severe indictment of the Federal Reserve Board procedure and administration of its authority to control consumer credit and discussed ways of making effective protests to Congress.

The four panel discussions were most constructive and were well attended. They concerned the subjects of (A) What's Ahead—A Preview; (B) Management's Task in Local Company Operations; (C) Management's Tasks in Branch Office Operations; (D) Competition and Legislation.

The Honorable John W. Snyder, Secretary of the Treasury, addressed the final luncheon session. He stressed the broader responsibilities of citizens in these critical times. "We must adopt policies to strengthen the sinews of our productive power," he said, and at the same time "protect the investment of our people in government securities." We must increase production, raise adequate revenues, and retain the incentive motive in the American economy. The country needs at least $100 billion in expanded capital in the next five years.

Industry speakers faced facts and an atmosphere of dead seriousness prevailed, because no group of business men is more affected by terms of Regulation W than members of American Finance Conference.

"Credit curbs on automobiles have already made things bad but they're nowhere near as bad as they're going to be." That's the way Maxwell C. King, president of Pacific Finance Corporation, sizes up prospects for sales finance firms.

Purchases of new and used car instalment paper have dropped between 20 per cent and 60 per cent since September 18, sales finance officials reported. Associates Investment Company, fourth in size among the nation's sales finance firms, is typical. "Our purchases of retail paper have dropped about 40 per cent since September." E. M. Morris, chairman, said. The decline would have been five per cent to ten per cent on a strictly seasonal basis, he said—the rest is due to the new credit curbs. Associates, which does business through 110 offices in the eastern two-thirds of the United States, has experienced the biggest drop in cities; the smallest in little towns and rural areas. Wholesale receivables are mounting rapidly.

The upward spiral in demand for money to carry inventories also is a bad omen for the future. It means the public isn't buying as many cars as factories are shipping dealers and that used car stocks are piling up, too. This inventory building has already reached the point where many marginal dealers and those handling less popular makes have reached the end of their credit lines. When dealers reach the end of their credit lines, they are forced to stop taking cars from manufacturers.

What will credit curbs do to earnings of sales finance firms? Because retail receivables, on which their earnings depend, run for over 15 months, it will take more than a year for the curbs to be fully reflected in the industry's profits. Results this year will be at record levels for many firms. For most firms, the lag will be sufficient to hold 1951 results at a level that will compare very favorably with 1950.

The convention closed with the annual business meeting of the membership at which Byron S. Coon, Chairman of the Board of General Finance Corporation, was elected president of the American Finance Conference for the coming year.

Residential Real Estate Credit

Interpretation of Regulation X

(Interpretations of Regulation X as it affects residential real estate credit were published in the November 1950 *Federal Reserve Bulletin*. The following have been issued since that time.—Ed.)

November 2, 1950

The question has been raised whether Regulation X applies to extensions of credit in connection with sales of house trailers. It is the view of the Board that such extensions of credit are subject to the regulation where the trailers are to be used for dwelling purposes and the wheel assemblies are to be detached and the trailer placed on a foundation constructed on real property.

November 8, 1950

In answer to questions that have been raised concerning the exemption in the first sentence of section 5(b) of Regulation X for short-term construction credits having a maturity of not more than 18 months, it is the opinion of the Board (1) that a demand note complies with the 18 months' maturity limitation if it is understood by the parties that payment will be demanded within a reasonable time and in any event within 18 months from the date the credit is extended; and (2) that a note having a maturity of less than 18 months may be renewed pending completion of construction if the date of maturity of the renewal is not more than 18 months after the date the credit originally was extended.

November 13, 1950

In reply to inquiries concerning the application of Regulation X to motels and tourist courts, it is the Board's opinion that the fact that a structure is used, serving or designed for transient or temporary occupancy, rather than permanent occupancy, does not prevent the structure from being a residence within the meaning of section 2(k) of Regulation X. However, in accordance with the provisions of the Supplement to Regulation X, the maximum loan value may be applied separately with respect to each structure if the Registrant so desires.

Section 6(b) of Regulation X provides that the provisions of the Regulation shall not apply to or affect any credit extended pursuant to any firm

commitment to extend credit made prior to the effective date of the regulation. Questions have been raised concerning the application of this provision where firm commitments made prior to the effective date of the regulation are modified subsequent to that date by (1) substituting a new borrower for the one named in the commitment, (2) increasing the amount which the Registrant is committed to lend in order to cover increases in construction costs, or (3) extending the time within which the Registrant is committed to make the loan. It is the Board's opinion that credit extended pursuant to such a modification of a prior commitment is not exempt from Regulation X except in the case of reasonable extensions of time in accordance with customary practices where the closing of loans is delayed by title difficulties, unforeseen delays in the completion of construction, or comparable circumstances.

—Issued by the Board of Governors of the Federal Reserve System.

Survey Reveals Decline

Regulation W has dealt a paralyzing blow to the consumer credit industry. Seventy-eight per cent of the firms in the field have experienced business declines since credit restrictions became effective, and these declines have a mean of 22%, according to a survey released recently by the ***Consumer Credit Letter*** published by The National Research Bureau, of Chicago.

Participating in the survey were 327 lenders and credit retailers from all parts of the country, including 90 banks, 92 department stores and retailers, 61 small loan companies, 48 sales finance firms, 16 credit bureaus, and 20 miscellaneous parties. The latter group included industrial loan banks, credit insuring agencies, savings and loan associations, and finance associations.

The mean percentage decline for all firms was 22%. For specific credit categories figures are: small loan, 18%; sales finance, 35%; banks, 29%; credit retailers, 19.5%; credit bureaus, 8%; and miscellaneous, 11%.

Comparing the 4th quarter of 1950 with the same period last year, 199 (60.5%) of the credit firms expected less business this year, 66 anticipated more, 60 saw no change, and 2 did not make an estimate.

More than half of those 66 firms anticipating better volume this year were in the retailing field. Comments indicated improvement is expected to stem from heavy Christmas buying, and a spurt in soft goods sales. Several retailers reported soft goods sales already are trending upward. It is too early to say whether or not this trend is due to a shift in buying from durables to non-durables, or to the normal upswing in soft goods sales which traditionally occurs just before Christmas.

Summarizing the over-all business trend in the credit field, the survey showed that the majority of credit grantors either are experiencing a business downtrend or are just holding their own. Until October these same credit grantors had been increasing their outstandings month-by-month. Thus, it is obvious that the over-all consumer credit outstanding is leveling. Once the Christmas season is over, this leveling process will become even more pronounced for drastic declines are predicted by many firms.

Curtailments of consumer goods production starting in the first quarter will accentuate this downtrend. This fact was emphasized in the survey of manufacturers.

An overwhelming number of credit firms have not noticed any difference in collections since Regulation W became effective. The survey showed 202 stating this fact, 61 reporting collections improved, and 50 saying they have been slower. At first glance it might appear that strict terms would make for safer contracts, thus improving collections. However, this factor is cancelled out by the fact that many credit dispensers reported they now must take bigger risks in order to maintain volume.

In any case, the majority felt that it is too early to gauge Regulation W's effects on collections. Generally, all segments of credit find collections are good, with few delinquencies and only minute losses.

The vast majority of small loan, sales finance and banking firms anticipated that profits next year will be considerably lower than this year because of higher operating costs coupled with lower gross volume. In all, 111 firms of the 327 anticipate that retrenchment will be in order, with some staff cutbacks unless Regulation W is eased.

—The National Research Bureau, Inc.

"I don't get this setup --- he gives us all the same letter and then picks the one that makes sense!"

B. I. E. Days

At Joliet, Illinois

On November 10, 1950, some nine hundred teachers of Joliet left their respective schools and were the guests of business at an all-day session. The teachers appeared at the various business houses in Joliet in the role of students to learn something about business for the purpose of doing a better job of teaching students who one day will be active participants in the business life of Joliet industry.

Promptly at 9 A. M. on November 10th, the lenders met the teachers at Joliet Township High School where they were briefed on the day's program and welcomed by the lenders. The managers of seven loan offices in Joliet, that are members of the Illinois Association, escorted the teachers to their respective offices where the morning was devoted to an explanation of the history and development of the company, to advertising, to procedures in granting loans, to collections and to personnel and opportunities for training.

At 12:30 the teachers gathered at the Louis Joliet Hotel as guests of the lenders for luncheon. Following this the sound movies *A Letter to a Rebel* and *Going Places* were shown.

Elmer Johnson, president of the Joliet Lenders Exchange and manager of the Joliet Loan Company, acted as chairman, and introduced the speakers. E. F. Stonich, manager of Liberty Loan Corporation, Joliet, spoke on "Profits and Opportunities in the Business"; A. J. Rademacher, manager of Household Finance Corporation, Joliet, spoke on "Personnel Attitudes"; and James H. Cronin, executive vice president of the association spoke on "The Consumer Finance Business in Illinois." Following the talks, the industry movie *Every Seventh Family* was shown. Literature was distributed to the teachers about the business and consisted of the following booklets: "The Consumer Finance Business in Illinois"; "The Social Background of the Small Loan Business in the United States" by Dr. Kelso; "Using Consumer Credit," a unit of study for high schools; and "The Analysis of Reports," published by the Illinois Insurance Department, Division of Small Loans.

John Downey of Downey Finance Company, Thomas Flock of City Finance Service, Inc., and A. J. Rademacher of Household Finance Corporation, with Elmer Johnson, formed the committee on arrangements. They were assisted by E. F. Stonich of Liberty Loan Corporation, Harvey Baldt of

(Continued on Page 15)

Personalities

Hoke T. Maroon, Secretary-Treasurer of the Family Loan Company of Miami, another of the newly elected members of the Board of Directors of the National Association, has been with his present organization since its opening in 1930 and was one of the pioneers of the loan business in Florida. He was educated in Europe and the United States, having attended public school in Macon, Georgia, preparatory school in Marseilles, France, and having done university work in Beyreuth, Lebanon.

Shortly after Mr. Maroon became associated with Family Loan Company, which consisted of one office in Miami at the time of its inception, he became manager of that office in general charge of the operations of the company. Since that time he has continued in charge of operations and has been closely identified with the tremendous expansion of the company which has at the present time the largest number of loan business operations in the State of Florida. During the war Mr. Maroon served with the U. S. Army Air Forces and after returning from service resumed his former duties with Family Loan Company.

During recent years Mr. Maroon has been president of the Florida Association and continues his active participation in the affairs of this association. He has been prominently identified with civic activities in the City of Miami during the past twenty years, being a member of the Chamber of Commerce, Kiwanis and Elks Clubs, Knights of Columbus and other civic and charitable organizations.

He is 39 years of age and a bachelor, devoting the major portion of his personal life to the care and happiness of his mother.

TWENTY Years Ago in the *News*

Personal Finance News, January 1931

National Officers, 1930-1931:

President, T. M. Kaufman; Vice President, L. K. Osborne; Executive Vice President, W. Frank Persons; Treasurer, T. J. Harrison; Secretary, Edgar F. Fowler

As we enter upon the New Year it is the conviction of Robert P. Lamont, Secretary of Commerce, that the country is economically sound. "There can be no doubt that the inherent strength of our economic structure," Secretary Lamont says, "will enable our country to lead the world in a vigorous recovery from the present depression."

Citing as "significant facts" indicative of the later phases of the depression, Mr. Lamont points out the progressive accumulation of savings deposits, the high total of life insurance written during the year, the present low stocks of department stores, and the likelihood that consumers must soon reenter retail markets to replace worn out goods.

"While it is impossible to forecast at what time unmistakable evidences of improvement in business will occur," he adds, "it is clear that we have reached a point where cessation of further declines and beginning of recovery may reasonably be expected."

In another column we present some observations on current trends of thought on business problems. Conspicuous among them appear the inclination to abandon the business guess, to count just a little less complacently on the American success legend, and to regard the business future in terms of much changed conditions both at home and abroad.

While the future of personal finance must, in some degree, continue responsive to current business conditions, it is not difficult to foresee an extraordinary opportunity for its services during the ensuing year. This may in part well take the shape of cultivating the patronage of higher income groups whose agreeable acquaintance with personal finance could not fail to contribute to more profound public understanding of its useful place in the business structure of the country.

Shortly after accepting his appointment as Chairman of the Membership Committee, Albert P. Snite wrote to all state membership chairmen a letter outlining plans for the year, in which he said in part:

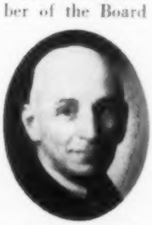
"I have accepted this responsibility gladly and with considerable enthusiasm because, as president of the Association last year, I was impressed with the importance of this position and with the possibilities of even greater growth of our Association.

"Last year demonstrated the effectiveness of our state organization for membership. With the existing potentialities within our group for new members, I see no reason why we should not, this year, surpass the fine record made last year. In expressing this enthusiasm, I realize, of course, that I personally can interview comparatively few of the nonmembers who should be actively cooperating with the National Association, and that I will have to depend upon the state membership chairmen and the present members to help me make this a big year in membership results."

A Glance at What They Are Doing

Garvice D. Kincaid, elected president of the Kentucky Consumer Finance Association at its annual meeting in Louisville on November 8, is a young, aggressive, Kentucky businessman who has the vision and the qualities of leadership which will enable the Kentucky Association to do a recognized job for the consumer finance business. Mr. Kincaid, an attorney by profession, has built his own company, the Kentucky Finance Corporation, from one office in 1941 to seventeen offices in 1950. Upon accepting the presidency of the Kentucky Consumer Finance Association, Mr. Kincaid stated, "We need all of you—thinking—believing—working together for a better consumer finance industry for the citizens in the local community." Mr. Kincaid is intensely interested in the National Association and has pledged the support of the Kentucky organization to the National Association.

Norman Buckner, a former member of the Board of Directors of the National Association and president of Buckner Finance Company, Pontiac, Michigan, was tendered a surprise birthday party for his sixty-seventh birthday on November 18, 1950. A testimonial dinner was held in the Whittier Hotel at Pontiac and over 100 employees, former employees, friends and relatives were in attendance. Mr. Buckner has been active in association affairs, both state and national, for more than twenty-five years.



Lon T. Jackson of the Jackson Loan Company, Sapulpa, Oklahoma, immediate past president of the Oklahoma Association of Small Loan Companies, was presented with a Longine wrist watch for "Distinguished Service" at the association's recent 10th Annual Convention. Mr. Jackson has been in the consumer finance business in Sapulpa for 25 years, during which time he has been very active in civic affairs in his community. He is a member of the Rotary Club and one of its past presidents. He served two terms as president of the Chamber of Commerce of Sapulpa. He has been especially interested in all war bond campaigns and is chairman of the War Finance Committee of Creek County, a position which he has held since the third bond drive early in World War II.

Ray E. Vester, president of Mutual Loan Company of Portland, Oregon, and a member of the Board of Directors and Executive Committee of the National Association, celebrated the 15th anniversary of his company on December 2, 1950, at a dinner party for his employees and their wives.

Edna M. King, of the Youngstown Collateral Loan Company of Youngstown, Ohio, came out second best in an encounter with an automobile on a street in Youngstown on November 20—hospital—X-rays—three broken bones and concussions. She is out and going again, but missed sending her greetings to her friends at Christmas—so we say Season's Greetings for her and wish for her a speedy recovery.

Time Finance Company Contributes to New College

Bellarmine, a new College was recently founded in Louisville, Kentucky, as a further step to meet the educational needs of the rapidly growing South. The college is an accredited institution and is affiliated with the Catholic University of Washington, D. C.

It will offer full college courses in many fields, including business administration.

In line with its continuing interest in education, Time Finance Company made a contribution of $5,000 toward development of Bellarmine Business Administration School. Acknowledging the gift, Father Alfred F. Horrigan, president of the College expressed his gratitude to Messrs. B. J. and F. P. Lenihan, officials of the Time Finance Company—stating that the contribution would be put to good use in establishing adequate facilities in Business Administration School.

The college opened this fall with a total enrollment of about 250 students—all freshmen. When Bellarmine is in complete operation with full four-year courses activated in all departments—it is expected that enrollment will reach 2,000 or more.

•

The government seems determined to take care of me, despite anything I may do to prove myself undeserving.

—*Anonymous.*

State Association Activities

Indiana

Judged by expressions from the membership the annual convention of the Indiana Association of Installment Credit Companies, Inc., at the Claypool Hotel in Indianapolis on November 9 fully measured up to the high standard of Indiana conventions in all-around excellence of the program. Attendance at the business sessions was the best in years.

President A. J. Sieloff in his address placed emphasis on the necessity for coordinated action through a well organized trade association to provide in Indiana an atmosphere in which consumer instalment financing may continue to expand and prosper.

Treasurer Paul A. Hancock's report gave us evidence that the association was in sound financial condition and Executive Secretary Robert C. Hamilton, in his report, covered the highlights of what had been a year of constructive accomplishment for the association.

The report of the membership committee presented by Thomas J. Umphrey revealed a present membership of 354 offices.

Thomas H. Cougill, supervisor of consumer credit in the Department of Financial Institutions, brought greetings to the convention in his usual engaging way and assured us that the consumer finance business had earned a high mark for good deportment during the present year.

Dr. Ernst A. Dauer, director of consumer credit studies, Household Finance Corporation, Chicago, in an address which followed explained the dependence of a progressive economy and a healthy social order on consumer instalment credit and characterized Regulation W as "a pitifully weak weapon with which to fight inflation." Dr. Dauer's address, entitled "The Economic Aspects of Consumer Instalment Financing," gave the membership a new conception of the dignity of our business and its importance in maintaining the American standard of living. How many of us realized, until reminded of it by Dr. Dauer, that 50% of all durable goods are sold through the medium of instalment credit?

The morning session was concluded with the address by Robert F. Charles of the law firm of Charles & Charles, Marion, on "Legal Observations on Factors Affecting Operations." Mr. Charles laid down some sound rules to follow in keeping loans and contract purchases consistent with the Soldiers' & Sailors' Civil Relief Act, Regulation W, the Bankruptcy Laws, and the Rights of Privacy.

At the noon luncheon in the Riley Room we were privileged to hear a challenging address by Dr. M. O. Ross, president of Butler University, Indianapolis, on "Economic Activity and the National Emergency." Robert B. Money presided at the luncheon session and introduced Dr. Ross.

Members and guests were deeply impressed by his views as to the five steps that must be taken by the United States as the dominant world power to maintain universal peace; namely, (1) build up an armed force of impressive size with superior air power, (2) strengthen the United Nations, (3) enforce competition and curb the labor monopoly by bringing labor unions under the anti-trust laws, (4) improve our educational system with more attention to human relations and (5) accept Christianity as the only guarantee of permanent world peace.

Fred Carroll of South Bend, as presiding officer, called the afternoon session to order.

The discussion subject was "Workable Ideas For Operating Guidance," and members present gained ideas from the addresses by three widely known consumer finance executives that can be employed profitably in their own offices.

F. E. Dykstra, vice president of Thorp Finance Corporation, Wausau, Wisconsin, approached the subject from the standpoint of the sales finance company. The extent of his program for encouraging good personnel and customer relations and creating finance business, which he illustrated with charts, evoked widespread interest.

The address by M. L. Goeglein, vice president of Pacific Finance Corporation, Los Angeles, and vice president of National Consumer Finance Association, pointed up their experience in the direct consumer loan field. Mr. Goeglein's account of the trials and tribulations encountered in opening 80 loan offices during a five-year war period convinced his listeners that success rewards ingenuity in the small loan business.

William A. Gerard, executive supervisor of Public Loan Corporation, St. Louis, discussed improved methods in internal operations applicable to both the direct loan and the sales finance business. The fact that Mr. Gerard talked in specific terms and revealed his own company's experience in employing new operating procedures made the address most helpful to his listeners.

Ernest W. Walker, recipient of our graduate fellowship award in the School of Business at Indiana University, was presented at the close of the afternoon session and outlined the nature of the research in the instalment financing of consumers being conducted under the fellowship grant.

Following adjournment of the afternoon session the Board of Directors met and elected these officers, who will administer the affairs of the association during the ensuing year: President, A. J. Sieloff; vice president, J. R. Latchaw; vice president, George O. Nichols; vice president, F. L. Mahaffey; treasurer, Paul Hancock, and secretary, Fred Carroll.

The annual banquet furnished a stimulating climax to the 1950 convention. Many guests were present from official circles, from the Department of Financial Institutions, the judiciary, educational institutions and the newspapers.

The invocation was pronounced by Dr. John S. Albert of Gethsemane Lutheran Church of Indianapolis. At the conclusion of the dinner President Sieloff, as presiding officer, introduced members of the association's official family and speakers who had addressed us during the day. He then presented as the banquet speaker George N. Craig of Brazil, past National Commander of the American Legion.

In an inspired address on "The Fight For Freedom," Mr. Craig won the admiration and respect of the audience with his oratory and his penetrating observations as to the course that America must take to maintain its position among the nations of the world and to preserve individual freedom and the American way of life.

Following prolonged applause President Sieloff's descending gavel brought the final session to a close, and another thought-stimulating and enjoyable Indiana convention had passed into history.

Kentucky

The 16th annual meeting of the Kentucky Consumer Finance Association was held at the Brown Hotel on November 7 and 8, 1950, and will go down in the history of the association as the best and having the largest attendance of all. Just like good whisky and tobacco, the Kentucky Association improves with age.

Proceedings of the convention began with a Directors Meeting the afternoon of the 7th. The report of the secretary indicated there are now 104 members in the association. The meat of the meeting began with a membership luncheon at 12 noon on November 8th. Richard

E. Meier, president of the Interstate Finance Corporation and well known in both state and national association affairs, was the luncheon speaker. His address, "Small Loan Man, What Now?" was both timely and interesting.

Following a general business session in the afternoon, at which time new officers and directors were elected for the coming year, the annual banquet and dance were held in the Crystal Ball Room. There were well over four hundred members and guests in attendance. Among the noted guests were a representative of Governor Clements and Mayor Farnsley, along with Norman A. Chrisman, president of the Kentucky State Chamber of Commerce; Thomas A. Ballentine, president of the Louisville Chamber of Commerce; Dean C. Carpenter, of the University of Kentucky; Alan K. Dolliver, president of the Security Bankers Management Corporation, who delivered the principal address on "What Goes On in This World?" After Mr. Dolliver's address, he and Mr. Meier were each presented with a key to My Old Kentucky Home, as a gesture on the part of the State Chamber of Commerce for the outstanding performances of their respective companies in the state.

Harry Clauter, retiring president of the Kentucky Association, was presented with several beautiful pieces of luggage on behalf of the association for the outstanding job he has done for the association and the industry while in office the past two years. Harry left a record to be proud of and will long be remembered as a working president. Among his many outstanding accomplishments outside of increasing the membership to the largest in the history of the association, was the offering of two (2) One Hundred Dollar ($100) scholarships to commerce students in Kentucky colleges through the Kentucky Consumer Finance Association.

The following officers and directors were elected for the new year: Garvice Kincaid, Lexington, president; Charles L. Humphries, Paducah, vice president; Harry M. Hardesty, Louisville, secretary; and William F. Brown, Covington, treasurer. Directors elected were Harry E. Clauter, Louisville, retiring president; James B. Corbett, Indianapolis, Indiana; James Cronin, Jr., Hartford City, Indiana; Wm. Elliott, St. Louis; Harold L. Haugan, Chicago; Earl A. Korb, Bowling Green; George Leach, Lexington; Guy B. Love, Knoxville, Tennessee; Ralph McClenahan, Irvine, Kentucky; Joseph H. Pollak, St. Louis; Ira W. Whaley, Wilmington, Delaware, and Ralph Wilson, Louisville.

Minnesota

The annual meeting of the Minnesota Association of Small Loan Companies was held at the Hotel St. Paul in St. Paul on October 18, 1950. In attendance were about 200 members and guests, for what is conservatively described as an outstanding get-together.

The business meeting got under way following the noonday luncheon and was preceded by a meeting of the Board of Directors which took place in the morning.

Immediately following the luncheon the meeting was called to order by President E. B. Delaney. Paul M. Shore, Personnel Director of Household Finance Corporation presented a talk entitled "Personnel Problems During Wartime." He described the possible effects of the current defense program on personnel, and suggested methods whereby the limited pool of potential employees might be best tapped. His pertinent and timely suggestions could well be used as guides in the fashioning of any future personnel program. In addition, Mr. Shore presented a newly released 15-minute film on the subject of training male personnel. The film graphically described proven methods of obtaining the best results from new male employees.

The membership listened to the reports of the various committee chairmen and the president before entering into general discussion. Emphasis was on the improvement of public relations, and individual members were urged to extend themselves to further the public acceptance and understanding of our business.

Elected as officers of the association for the coming year were E. B. Delaney, Minneapolis, president; A. J. Werner, Chicago, vice president; E. J. Scanlan, Minneapolis, treasurer; and B. J. Rechtiene, St. Paul, secretary.

Linn K. Twinem, of the legal department of Beneficial Management Corporation then addressed the gathering on the subject of bankruptcy. His remarks were very informative and served to clarify many of the perplexing questions connected with bankrupt accounts. His presentation was followed by a question and answer period in which there was lively participation on the part of the members. Clearly defined were some of the more important rights and restrictions under the Bankruptcy Act, and it is safe to say that the more fundamental procedures to follow are better understood as a result.

A very enjoyable dinner was served to members and guests, following which all were treated to the legerdemain and wizardry of a professional magician who provided the final deft touch to a pleasant and interesting meeting.

Ohio

From invocation to adjournment the business program of the Ohio Association of Small Loan Companies' 35th Annual Meeting was packed with solid facts of interest to the membership in attendance.

More than 250 members and guests registered for the one-day session Oct. 18. It was the largest registration in the history of the association. Over 600 were in attendance at one function or another during the convention.

The reimposition of consumer credit controls on September 18 overshadowed all other convention topics in interest and attention. Every member seemed to want a basic understanding of this legislation and the regulations affecting his business now and those anticipated changes and developments to come in the future. Fortunately, the program committee had anticipated this demand and had a battery of qualified speakers on hand to answer questions, interpret and analyze future trends.

The association's Board of Directors and Executive Committee met Tuesday evening, October 17. President Gilbert Bilenkin appointed a nominating committee and instructed it to bring to the membership meeting a slate of candidates for board of directors' positions.

The Wednesday morning session, presided over by President Bilenkin, opened with a keynote address by David B. Lichtenstein, vice president, American Investment Company of Illinois, St. Louis, Missouri. During the business meeting that morning the membership elected unanimously the Board of Directors for the ensuing year.

The new board met and elected the following as association officers for 1951: president, Charles H. Cook, National Finance Company; vice president, Ray Fair, Fair Finance Company; and secretary-treasurer, Lloyd J. Laut, American Budget Company.

The second general session was presided over by C. W. Shaw, president, Fairfield Finance Company. Mr. Shaw introduced Ernest Cornell, chief, Ohio Division of Securities, Columbus, who spoke on, "Ohio—The Buckeye State." Mr. Cornell's remarks were followed by an address on Regulation W, by Edgar T. Higgins, Counsel, Beneficial Management Corporation, Newark, N. J.

A luncheon program with Charles H. Cook, vice president, presiding, opened with an invocation by Father William E. Kappes, Diocesan Director of Catholic Charities and Hospitals, Columbus. The speaker for this event was I. Lehr Brisbin of Philadelphia, immediate past president, National Consumer Finance Association. Mr. Brisbin's courage, vision and forthrightness distinguish him as a leader of economic and political thought in our industry.

The afternoon session found delegates listening intently to a panel discussion centered on the topic, "Management's Responsibilities to Employees and Customers." The moderator was Paul G. Pollock, secretary, Mahoning Loan Service, Inc. Panel members were:

Dr. George W. Starcher, dean, University College, Ohio University, Athens; Clayton Traeger, director of personnel relations, Commonwealth Loan Company, Indianapolis; Alex W. Hay, assistant secretary, Colonial Finance Company, Lima; Dr. Paul L. Brown, College of Commerce, Ohio State University, Columbus; Paul L. Fletcher, City Loan & Savings Company, Lima, and T. J. McCarron, Beneficial Management Corporation, Newark, New Jersey.

Each of the panels was a "must" for every small loan person present at the convention. The speakers blended sound theory with practical experience in such a way that delegates commented that the papers were the best series of "bread and butter" talks they had heard in years.

The annual banquet proved a fitting close to the convention. Following an invocation by Dr. John Taylor Alton, president, Ohio Conference Trustees of the Methodist Church, Columbus, President Bilenkin installed the 1951 Board of Directors and association officers. Responding on behalf of the board and the new officers, President-elect Cook pledged to "continue to get things done in 1951."

These presentations were followed by one of the most important addresses of the convention. Joseph F. Leopold, industrial and public relations consultant, Dallas, presented food for thought by his intriguing subject, "Doing Business Without Paying Taxes."

It wasn't all work at the convention. An entertainment program was arranged by E. W. Brill, Chairman of the Las Vegas Night Committee, Columbus. Approximately 350 delegates and guests enjoyed an evening of fun and fellowship in the Sapphire Room of the Deshler Wallick Hotel. This event preceded the convention proper and was sponsored by the Columbus Association of Consumer Finance Companies. Hundreds of dollars worth of beautiful merchandise was auctioned off and those in attendance from out of town seemed pleased that they had arrived in time for Las Vegas Night party.

Oklahoma

The Annual Convention of the Oklahoma Association of Small Loan Companies held at the Skirvin Hotel on November 10 and 11 was the biggest and best enjoyed since the association was organized. The membership has increased over 30% in the past two years and the registration has increased 100%. Considerable enthusiasm has been aroused through the highly successful conventions these past two years and a substantial increase in membership is expected throughout 1951. From a handful of 20 to 30 registered at conventions prior to 1949, it has grown to an all-time high of 53 registrations. The evening banquet had an attendance of over 200 this year. Favorable publicity has been given the association by the local newspaper, *The Daily Oklahoman*.

Speakers from the association this year were M. L. Goeglein, vice president of Pacific Finance Corporation and also vice president of the National Consumer Finance Association. Also,

C. W. Dobelbower

Paul Williams, vice president of State Loan and Finance Corporation, Washington, D. C. The outside "speaker of the day" was Jeff H. Williams, "Oklahoma's Ambassador of Good Will", a practicing attorney in Chickasha, Oklahoma. The honored guest from the Oklahoma Banking Department was F. B. West, examiner, Small Loan Division.

Retiring officers were: Lon Jackson, president, Jackson Loan Company, Sapulpa and Eugene Ritter, secretary, Beneficial Management Corporation, Oklahoma City.

Officers for 1951 are: Eugene Ritter, president; Joe Miller, vice president, Ponca Industrial Finance Corporation, Ponca City; C. W. Dobelbower, secretary, State Finance Company, Oklahoma City, and Harley Knecht, treasurer, Family Loan and Thrift Corporation, Tulsa.

Lon Jackson, retiring president, and Secretary Dobelbower were presented with beautiful Longine wrist watches as tokens of appreciation for "Distinguished Service." These presentations were eulogized by Joe Miller, toastmaster, and highlighted the convention.

Oregon

The Fourteenth Annual Meeting of the Oregon Association of Small Loan Companies was held at the Multnomah Hotel, Portland, on November 18.

The day began with a breakfast for the Board of Directors at 8:00 A. M. At 9:00 A. M. the Board of Directors held their meeting and at 10:30 A. M. a general membership meeting was held. Immediately after the general membership meeting the new Board of Directors met and elected the following

new officers for the ensuing year: P. A. Weeg, president; G. A. Gibbons, vice president; Frank P. Spencer, secretary-treasurer and Dean F. Bryson has again been retained as executive secretary and counsel.

The afternoon meeting began at 1:30 P.M. with an address by R. M. Alton, Vice President U. S. National Bank, Portland, on "Why a Changing Economy." This was followed by a round-table discussion of current every-day operating problems including Regulation W, Soldiers' and Sailors' Civil Relief Act, Bankruptcies and new methods and improvements in operating technique. The afternoon meeting was attended by approximately 140 members and employees.

A fellowship hour was held at 6:30 P.M. followed by the annual banquet with President Weeg presiding. The State Legislature was represented by approximately 20 members and their wives at the banquet.

Frank Drake Davison spoke on "The Pacific Northwest Looks at the World." His address was informative, interesting, and amusing. Approximately 240 attended the banquet and dance which followed.

B.I.E. Days

(Continued from Page 9)

Seaboard Finance Company, and Elmer Olsen of Public Loan Corporation.

Judging from the remarks made by the teachers at the meeting and in letters which they sent to the lenders, they had a wonderful day. Those who took care of the arrangements are to be congratulated for the thorough and efficient manner in which they conducted the program for the day.

At Centralia, Illinois

The consumer finance companies of Centralia, Illinois, along with other businesses and industries, participated in a very successful B. I. E. Day on November 17, being hosts to 139 grade and high school teachers for the day.

This important project was sponsored by the Chamber of Commerce in an effort to give local concerns an opportunity to show and to tell our educators how our American economic system works and how business and industry fit into that system.

Mr. Clarence O. Turner, manager of Limerick Finance Corporation; Mr. Allen, of Illinois Finance Company, and Mr. Friedrich, of Friedrich Finance Company, each were hosts to two teachers. Each company's program started at 9:30 A. M. A short time was spent in getting acquainted; the manager then gave an informal talk on the history of the small loan business and of his own company. Interest rates and loan procedure were thoroughly discussed from the time the customer actually applies for a loan to the closing of it. At the close of each period the teachers were given an opportunity to ask questions. Much interest was shown and the teachers asked plenty of questions.

At 12:00 noon all of the groups were entertained at a luncheon, at which time the movie, *Who Gets the Credit?* was shown. The final event was a round-table discussion of our industry by the entire group.

Everyone enjoyed the day and expressed a desire that another B. I. E. Day be held again next year. Judging by letters received from the teachers participating in this event, they all received a liberal enlightenment on the consumer finance business.

Each teacher was presented with the Illinois Association's brochure on "How the Small Loan Business Benefits the People of Illinois," along with a copy of the annual report on small loan companies, published by The Department of Insurance, of Springfield, and the booklet, "Using Consumer Credit."

Credit Controls

Credit controls in view of the drastic 15 months' maturity regulation and the increase in the down payments will come close to disrupting the nation's economy, David B. Lichtenstein, executive vice president of American Investment Company of Illinois, declared in an address at Columbus, Ohio, on October 18, to the annual convention of the Ohio Association of Small Loan Companies. He warned that the new controls could very well prove a disservice to our nation and its people.

"We have been ardent believers in not lending over a fixed ratio of one's weekly or monthly income," he said. "In order to combat inflation and to cooperate with the government in its aims, we should and are voluntarily reducing the maximum amount of a loan as compared with the maximum amount we loaned prior to Regulation W, regardless of whether we have Regulation W or not."

Consumer Credit Curbed in Canada

Canada now has new consumer credit restrictions, instituted as an anti-inflationary step.

A third down is required on automobiles, and other durable goods require at least a 20 per cent down payment. Instalments must be paid up in 18 months.

Previously there was no down payment requirement or any time limit for making payments.

Real estate, stocks, bonds, securities, goods for professional and business use, buses, trucks, implements and equipment used in farming and fishing, and building materials are exempt from the controls.

Money Matters

(Continued from Page 6)

tory. They are going to continue to go higher. Banks are not going to be too much interested in making additional loans to us when they have this great demand. Therefore, wherever possible, I suggest that a long-term insurance company loan be arranged for. Insurance company money at the present time is comparatively plentiful. With the tremendous amount of business being done by the insurance companies, this supply is going to continue to increase. Care should be exercised in entering into these loan agreements as the conditions can become very burdensome. Money spent for the employment of competent, experienced attorneys and loan brokers along this line will be well spent.

Advertising Forum Debut

Left to Right: S. E. Risley, Fairfax Cone, Henry Hoke, Hal Wagner, J. T. Snite, N. T. Schwin and I. S. Michelman.

The Advertising Forum of National Consumer Finance Association made an impressive debut at the national convention in Chicago. Organized earlier this year, this Forum now numbers in its membership nearly 500 of the leading advertising experts of member companies and advertising firms.

The first annual business meeting convened at 9:30 on Friday morning, September 22, heard reports of its committees and elected officers. It then presented the first Advertising Round Table to a capacity convention audience. The great interest of Association members was more than justified by the constructive program.

Radio and Television have become important media in advertising, but are still in experimental stages with many consumer finance companies. John T. Snite, vice president of Imperial Credit Company, related his practical and favorable experience with radio advertising. Newell T. Schwin of Household Finance Corporation gave a review of television experiences and outlined potentialities of this medium as an advertising tool.

Irving S. Michelman, vice president, Security Finance Company, Inc., outlined for the members the most effective methods for use in point of sale advertising.

Henry Hoke, editor of *Direct Mail Reporter*, discussed "How to Make Your Letters Better." He was dynamic. He not only made people aware of their own stilted journalism and useless verbosity in letter writing, but gave positive and practical principles and rules for improvement, using actual letters and experiences as illustrations. It is revealing to note the change in form and content of letters coming to your editor since the Hoke address.

Fairfax Cone, chairman of the Board of Foote, Cone & Belding, mapped out "The Advertising Road." To him, advertising is salesmanship in print or on the air—it is a substitute for personal selling. For consumer finance advertising he urged less emphasis on money and more emphasis on good credit, wise budgeting, and the constructive help that the family gets when it comes to you for financial assistance.

The historical exhibit of consumer finance advertising—the official publication, *The Advertising Forum*—the positive approach to better advertising—these are auspicious omens of a great future for the Advertising Forum.

Outsider Looking In?

By Harry W. Gibson

Have you ever been an outsider trying to look in—and wishing you were in? Have you ever been an outsider looking in?

As a member of the N.C.F.A. you don't have to join the Advertising Forum—you can stay out and emulate the individual described above, but all that you'll get is a bird's-eye view, once a year, at convention time.

There is a great deal to be gained by being "in"—an opportunity to be among the very first to learn of and review successful new advertising approaches—an opportunity to study the best in advertising gathered by nationwide research, and an opportunity to associate, and engage in discussions of the "trade," with the leaders of the craft.

Four quarterly publications packed full of trends, developments and successes in every phase of advertising covering local, regional, state and national scopes—are but one of the tangible measures of the advantages

that will accrue to a member of the Advertising Forum. (The publication will not be available to nonmembers.)

Among the associate members will be found the leading agencies and printers of syndicated loan advertising servicing the consumer finance industry. They, too, will contribute their skills and knowledge to the furtherance of the Advertising Forum.

The Advertising Forum's objective is to help produce good advertising rather than just to eliminate bad advertising. It was organized and is directed by advertising men whose promotion ideas and planned advertising bridge the gap between your offices and the public. The Advertising Forum offers a means of expression for the exchange of advertising ideas, methods, practices and sound public relations beneficial to all concerned.

It is an objective that strikes right at the heart of every operator's main problem—the building, attracting and sustaining customer traffic in his office. It covers every known media, radio and television, display and classified ads, direct mail to new, present and previous customers, interior and exterior signs of all types, and every other form of promotional endeavor known to the industry.

Almost 500 individuals from virtually every section of the nation are already "insiders." They're big and they're small—they're a cross section of our Association. They have an advantage too, for their annual cost of $5.00 is going to be repaid them many times over.

For "insiders" it costs $5.00 for Active Members—$15.00 for Associate Members. For outsiders there's no telling what it could cost.

The application form (active or associate) can be quickly detached to make an "insider" out of you in a matter of minutes. Do your friends and associates a favor—call it to their attention, and let them get "in" on one of the best bargains this Association has ever offered.

Clip These Coupons Now

Be a member of the National Consumer Finance Association's Advertising Forum. Take a tip from Harry Gibson, Chairman of the Forum's Membership Committee, and send in your application on one of these forms.

I MAKE

Application for Active Membership

IN THE

ADVERTISING FORUM OF THE NATIONAL CONSUMER FINANCE ASSOCIATION

Name ______________________
(Please print or type)

Address ______________________
Street City Zone State

My Position or Title Is: ______________________

My Company Is: ______________________, a member of the National Consumer Finance Association.

Check for $5.00 payable to the Advertising Forum of the National Consumer Finance Association, 315 Bowen Building, Washington 5, D. C., is enclosed herewith, covering one year's dues for 19____.

______________ ______________
Date Signature

I MAKE

Application for Associate Membership

IN THE

ADVERTISING FORUM OF THE NATIONAL CONSUMER FINANCE ASSOCIATION

Name ______________________
(Please print or type)

Address ______________________
Street City Zone State

My Position or Title Is: ______________________

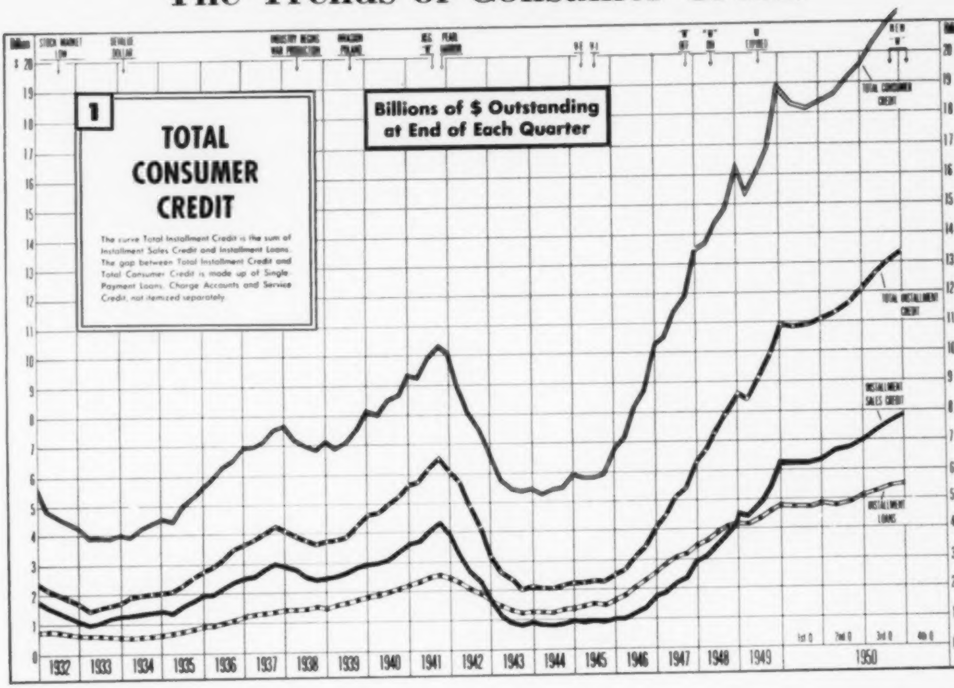
The Name of
My Company Is: ______________________ and it is (1) a syndicate advertiser or printer which produces and circulates consumer finance advertising ☐ (2) an advertising agency employed by or under contract with members of the National Association ☐
(Check one)

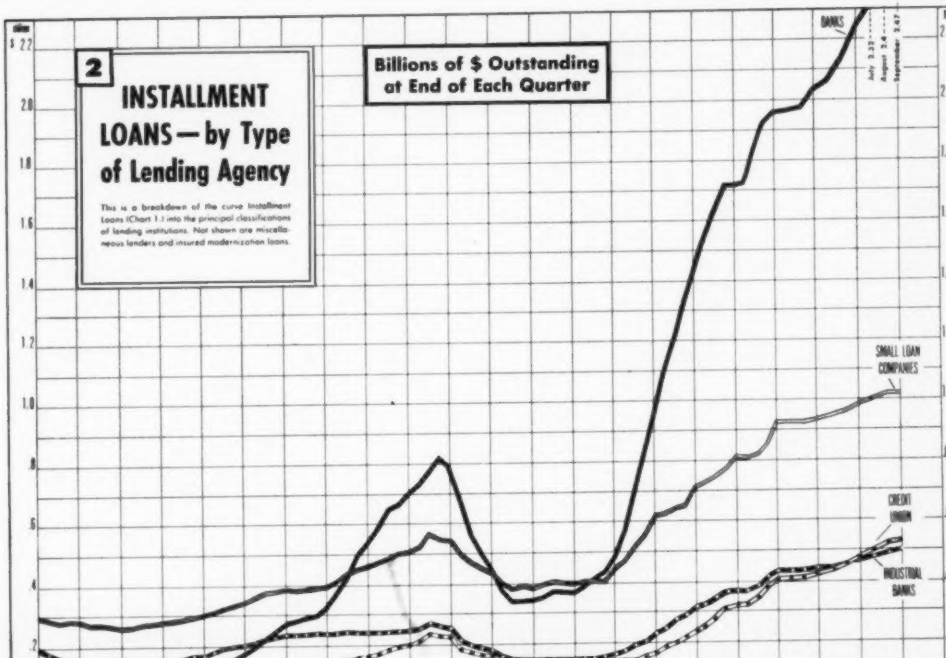
Check for $15.00 payable to the Advertising Forum of the National Consumer Finance Association, 315 Bowen Building, Washington 5, D. C., is enclosed covering one year's dues for 19____.

Date ______________ Signature ______________

Recommended By ______________________, Active Member.

The Trends of Consumer Credit





Source of Data, Federal Reserve Board—Compiled by *The Credit Life Insurance Co.*